

Consistent Unit Trust Management Company Limited

Assessment of Value Report

The Financial Conduct Authority (FCA) has asked all investment management companies to assess the value of their UK Authorised funds to ensure that they represent reasonable value to all investors. Assessing the value of funds is much more than just the fees paid or the performance of the funds.

It is the responsibility of the Board of Directors to consider these assessments and to communicate the results to our investors.

The assessments that relate to our whole investment business are as follows:

Corporate Culture

The right corporate culture is important to the business as it encourages the correct attitude to our investors. The Board of Directors has concluded that it believes that Consistent Unit Trust Management Company Limited has the correct positive corporate culture.

Quality of Service

Quality of service is important to ourselves and our investors. The areas which we consider to assess the quality of service are::

- (1) Our investment processes, which we believe add value to the funds and therefore to our investors.
- (2) The services we outsource on our investors' behalf. An independent consultant performs a due diligence review, on an annual basis, of all the services performed on our behalf by a third party.
- (3) How we handle complaints. During the 36 years that the company has been an investment management business it has only ever received one complaint, which was rejected by the Financial Ombusman who stated that the company had acted in accordance with all regulations.
- (4) How well we trade the underlying securities of the funds. Every trade is monitored against the relevant market price at the time of the transaction. Transaction costs are reviewed on a quarterly basis.

The Board of Directors has concluded that, based on the above, Consistent Unit Trust Management Company Limited offers its investors a good quality of service.

The assessments which are specific to each fund are as follows:

Performance

The company measures the performance of each fund against the fund's objectives and its benchmark over a period of 1,3 and 5 years.

Practical Investment Fund

The objective of the fund is to provide investors with above average capital growth and increasing income by investing in a wide spread of investment trusts.

Assessment

Practical Investment Fund had outperformed the FTSE All Share Index, which is its benchmark, over the last year. It has kept pace with the FTSE All Share Index over the last five years. Over the last ten years it has consistently increased the annual distribution level.

The Board of Directors has concluded that Practical Investment Fund has met its objective.

Consistent Opportunities Unit Trust

The objective of the fund is to provide consistent long term capital and income growth. New investment advisors were appointed in March 2018. The resulting investment policy to achieve the objective was to invest in smaller, high quality companies trading at appealing valuations with an intrinsic value.

Assessment

Since the new investment advisors were appointed and the portfolio was re-aligned, fund had substantially outperformed the FTSE All Share Index, which is its benchmark, over the 3 years to July 2021. The performance over the last two years has been adversely affected by the market's current response to small companies.

The Board of Directors has concluded that Consistent Opportunities Unit Trust has met its objective.

Comparable Costs

It is important that the costs charged to our funds are reasonable. The Ongoing Charges for the funds are made up of the Annual Management Charge and other costs, such as Trustees fees, audit fees etc.

Practical Investment Fund

The Ongoing Charges total for the fund is 1.13%.

Assessment

This is comparable with the sector.

The Board of Directors has concluded that Practical Investment Fund's costs represent good value.

Consistent Opportunities Unit Trust

The Ongoing Charges total for the fund is 1.20%.

Assessment

This is comparable with the sector.

The Board of Directors has concluded that Consistent Opportunities Unit Trust's costs represent good value.

Overall Assessment of Value

We take into account all of the above assessments to give an overall assessment as to whether the funds offer good value for money or not to our investors. We did not take into account economies of scale, comparable services, or classes of units as these are not relevant to the two funds.

Practical Investment Fund Income and Accumulation Units

The Board of Directors has concluded that Practical Investment Fund offers overall good value for money.

Consistent Opportunities Unit Trust Income and Accumulation Units

The Board of Directors has concluded that Consistent Opportunities Unit Trust offers overall good value for money.

31 October 2023